

## Terms and Definitions

**1,520 mm** — an official railway gauge of countries of in the Commonwealth of Independent States, Baltic states, Mongolia and Finland. Its The total length of railways in the the “1,520 space” exceeds 150,000 km. 1,520 mm is referred to as a “broad” gauge.

**1,520 space** — territories serviced by using the “broad” gauge of railway of JSC “Kazakhstan Temir Zholy” (KTZ), the — “Kazakhstan Railways” national company.

**2PL, 3PL и 4PL** — levels of a logistics service (PL-Party Logistics): partial logistic outsourcing, integrated logistic outsourcing

**AIGTR** — Agreement on international goods transport by railway

**CIM** — International convention concerning the carriage of goods by railway

**CIM/AIGTR note** — unified railway bill

**Common economic space (CES)** — economic and political integration of three CIS countries: Russia, Kazakhstan and Byelorussia

**Common Network Process (CNP)** — a document aimed at arrangement and management of to organize and manage the railway transportation process in the event of multiple operators. It provides for the accommodation and movement of empty cars agreed upon with operators based on monthly transportation planning and parameters of effective infrastructure use.

**Cross connection** — set of operations to connect two underground mines or one mine and the surface.

**CU** — the Customs Union of the Russian Federation, the Republic of Kazakhstan and the Republic of Belarus.

**Federal Freight Company (JSC “FFC”) (before 13 November 2012** — Open Joint Stock Company “Second Freight Company”, JSC “SFC”) — affiliate of JSC “RZD” established in accordance with the resolution of the Board of Directors of JSC “RZD” passed on 26 August 2010; one of Russia’s largest freight railway operators.

**Federal Passenger Company (JSC “FPC”) — affiliate of JSC “RZD” that provides long-distance railway passenger and freight transportation services.**

**First Freight Company (JSC “FFC”) — Russia’s largest operator of railway transportation**

**Freight turnover** — the volume of cargo transportation. The unit of measurement is ton-kilometer. It is calculated by adding the products of the masses of cargo transported in tons by the distance of transportation in kilometers.

**FTS, FTS of Russia** — the Federal Tariff Service. The federal executive body regulating the activities of natural monopolies; it carries out state regulation of prices (tariffs), in particular, in railways in accordance with Russian laws.

**GEFCO S.A.** — affiliate of JSC “RZD”. On 20 December 2012, JSC “RZD” consummated concluded a transaction for the purchase of 75% shares of French logistic operator GEFCO from PSA Peugeot Citroen valued at EUR 800 mln.

**Hub** — transport and interchange station

**Intermodal transportation** — sequential cargo transportation by two or more transport means within the same transportation unit or vehicle without cargo transfer when a transport means is changed.

**International Union of Railways (UIC)** — (French: Union Internationale des Chemins de Fer) — an international organization that unites national railway companies for the joint settlement completion of rail transport development tasks.

**ISO 14000** — international standard for environmental management system design. Af, a family of environment-related standards aimed to help organizations minimize the adverse impact of the ir operations on the environment, comply with applicable laws, rules and other environmental requirements, and to continuously improve in the above matters.

**JSC “NC Kazakhstan Temir Zholy” (KTZh)** — National Company “Kazakhstan Railways”.

**JSC “UBR”** — Ulan Bator Railways.

**LMP** — low-mobility population

**Logistic costs** — expenses for logistic operations (warehousing, transportation, collection, storage and communication of data about orders, inventories, supplies, etc.).

**Maintenance and repair (M&R)** — a set of operations intended to maintain working capacity or running order of production equipment in its use for intended purposes, standby, storage and transportation.

**MPC** — mobility promotion center

**OhSAS 18001** — a series of standards that sets out requirements and guidelines with regard to the development and introduction of health and safety management systems (HSMS) whose application helps allows to control risks of the management system and enhance its performance.

**Organization for the Collaboration of Railways (OCR)** — an international organization whose aims are the development of international freight and passenger transportation, creation of a common rail transport space in the Eurasian region, competitive growth of transcontinental railway directions and promotion

of technical advance progress and scientific and technical co-operation in rail transport.

**Passenger turnover** — the volume of passenger transportation. The unit of measurement is passenger-kilometer. It is calculated by adding the products of the number of passengers by each transportation position by the distance.

**PBC fleet** — fleet of open cars borrowed by JSC "RZD" from JSC "FFC" based on the contract dated 26 January 2012 "On lease of open cars" (PBC fleet) and resolution No. 1051 of the Government of the Russian Federation "On the procedure of borrowing of the rolling stock for freight operations by Open Joint Stock Company 'Russian Railways' and on establishment of a special procedure of pricing for freight transportation using this rolling stock". The legal status of the PBC fleet is similar to that of a carrier's fleet (common park), but is subject to tariff regulation peculiarities established by decree No. 444-1/4 of the Russian FTS dated 27 December 2011.

**RAB (Regulatory Asset Base)** — a value established in order to regulate tariffs that reflects a market value of a company's assets with regard to their physical wear.

**RCCG** — regional centres of corporate governance. **RGCM** — regional centers of corporate management **S&A** — subsidiaries and affiliates of JSC "RZD"

**SA "Byelorussian Railways" (BZD)** — State Association "Byelorussian Railways"

**Shipment (dispatch) of cargo** — the mass of cargo in tons admitted for railway transportation. Its value is calculated as a sum of all dispatches admitted for transportation from consignors, other means of transportation or foreign railways in the reporting period on the territory of the country.

**SPC** — suburban passenger companies

**TEU** — twenty-foot equivalent unit — a conventional unit of measurement of traffic flows, capacity of container terminals or cargo vehicles. Equivalent to the dimensions of an ISO container 20 feet long (6.1 m). ISO container.

**Traffic safety management system (TSMS)** — management system for JSC "RZD" management and governance with regard to traffic safety.

**Transportation (departure) of passengers** — the volume of passenger transportation. It is determined by the number of tickets sold or issued free of charge in the relevant reporting period with account of passenger journeys for group tickets, freight documents, commutation and other tickets in the relevant period.

**UN ESCAP** — UN Economic and Social Commission for Asia and the Pacific

**UNECE ITC** — Inland Transport Committee of the Economic Commission for Europe

**United Transport Logistic Company (UTLC)** — a joint project of JSC "RZD", Byelorussian Railways and JSC "Kazakhstan Temir Zholy" for establishment of a common logistics operator.